

NASA Mentor-Protégé Program Policy

Subpart 1819.72 -- NASA Mentor-Protégé Program

1819.7201 Scope of subpart.

The NASA Mentor-Protégé Program is designed to incentives NASA prime contractors to assist small disadvantaged business (SDB) concerns, Historically Black Colleges and Universities (HBCUs), minority institutions (MIs), and women-owned small business (WOSB) concerns, in enhancing their capabilities to perform NASA contracts and subcontracts, foster the establishment of long-term business relationships between these entities and NASA prime contractors, and increase the overall number of these entities that receive NASA contract and subcontract awards.

1819.7202 Definition.

"High-Tech" is defined in 1819.001.

1819.7203 Non-affiliation.

For purposes of the Small Business Act, a protégé firm may not be considered an affiliate of a mentor firm solely on the basis that the protégé firm is receiving developmental assistance referred to in 1819.7214 from such mentor firm under the Program. In addition, NASA shall not consider partial ownership, up to 10 percent, of a Department of Defense (DOD)-sanctioned protégé firm by its DOD mentor to constitute affiliation.

1819.7204 Transportability of features from the Department of Defense (DOD) Mentor-Protégé Program to NASA contractors.

- (a) In accordance with the benefits authorized by the DOD Mentor-Protégé Program (Public Law 101-510, Section 831, as amended by Public Law 102-190, Section 814), a NASA contractor who is also an approved DOD mentor can transfer credit features to their NASA contracts.
- (b) NASA prime contractors, who are approved DOD mentors, can award subcontracts non competitively under their NASA contracts to the protégés which they are assisting under the DOD Program (Public Law 101-510, Section 831(f)(2)).
- (c) NASA prime contractors may count the costs of developmental assistance provided to protégés being assisted under the DOD Program toward meeting the goals in their subcontracting plans under their NASA prime contracts (Public Law 102-190, Section 814). Limitations which may reduce the value of this benefit include:

- (1) Credit toward attaining subcontracting goals is available only to the extent that the developmental assistance costs have not been reimbursed to the contractor by DOD as direct or indirect costs; or
- (2) The credit is available to meet the goals of a NASA subcontracting plan only to the extent that it has not been applied to a DOD subcontracting plan. The same unreimbursed developmental assistance costs cannot be counted toward meeting the subcontracting goals of more than one prime contract. These costs would accrue from credit for the multiples attributed to assistance provided by Small Business Development Centers, Historically Black Colleges and Universities and minority institutions.
- (d) The features identified in paragraphs (a), (b) and (c) of this section point out the portability of features from the DOD Mentor-Protégé Program to NASA prime contractors. NASA mentors will be held to show "good faith" by providing actual developmental assistance beyond transferring credit from activity in the DOD Program to NASA subcontracting plans.

1819.7205 General policy.

- (a) Eligible large business prime contractors, not included on the "**List of Parties Excluded from Federal Procurement and Non-procurement Programs**", who have at least one active subcontracting plan, and who are approved as mentor firms may enter into agreements with eligible entities (as defined in 1819.7209) as protégés to provide appropriate developmental assistance to enhance the capabilities of protégés to perform as subcontractors and suppliers. Eligible small business prime contractors, not included on the "List of Parties Excluded from Federal Procurement and Non-procurement Programs", and that are capable of providing developmental assistance to protégés, may also be approved as mentors. An active mentor-protégé arrangement requires the protégé to be a subcontractor under the mentor's prime contract with NASA.
- (b) The Mentor-Protégé program may be used in cost reimbursement type contracts and contracts that include an award fee incentive. Costs incurred by a mentor to provide the developmental assistance described in 1819.7214 are allowable. Except for cost-plus-award-fee contracts, such proposed costs shall not be included in the cost base used to develop a fee objective or to negotiate fee. On contracts with an award fee incentive, a contractor's Mentor-Protégé efforts shall be evaluated under the award fee evaluations.

1819.7206 Incentives for prime contractor participation.

- (a) Proposed mentor-protégé efforts, except for the extent of participation of protégés as subcontractors, shall be evaluated under the Mission Suitability factor. The participation of SDB protégés as subcontractors shall be evaluated separately as a Mission Suitability subfactor (see **FAR 15.304(c)(4)** and **19.1202**). The participation of other categories of protégés as subcontractors may be evaluated separately as part of the evaluation of proposed subcontracted efforts.
- (b) Under contracts with award fee incentives, approved mentor firms shall be eligible to earn award fee associated with their performance as a mentor by performance evaluation period. For purposes of earning award fee, the mentor firm's performance shall be evaluated against the criteria described

in the clause at **1852.219-79**, Mentor Requirements and Evaluation. This award fee evaluation shall not include assessment of the contractor's achievement of **FAR 52.219-9** subcontracting plan SDB goals or proposed monetary targets for SDB subcontracting (see **FAR 19.1203**).

1819.7207 Measurement of Program success.

The overall success of the NASA Mentor-Protégé Program encompassing all participating mentors and protégés will be measured by the extent to which it results in:

- (a) An increase in the number, dollar value and percentage of subcontracts awarded to protégés by mentor firms under NASA contracts since the date of entry into the Program;
- (b) An increase in the number and dollar value of contract and subcontract awards to protégé firms since the time of their entry into the Program (under NASA contracts, contracts awarded by other Federal agencies and under commercial contracts);
- (c) An increase in the number and dollar value of subcontracts awarded to a protégé firm by its mentor firm; and
- (d) An increase in subcontracting with protégé firms in industry categories where they have not traditionally participated within the mentor firm's activity.

1819.7208 Mentor firms.

- (a) *Eligibility:*
 - (1) Contractors eligible for receipt of government contracts;
 - (2) Large prime contractors performing under contracts with at least one negotiated subcontracting plan as required by **FAR 19.7**; and
 - (3) Small business prime contractors that can provide developmental assistance to enhance the capabilities of protégés to perform as subcontractors and suppliers.
- (b) Mentors will be encouraged to identify and select as protégés:
 - (1) A broad base of firms including those defined as emerging firms (e.g., a protégé whose size is no greater than 50 percent of the size standard applicable to the **NAICS** code assigned to a contracting opportunity);
 - (2) Firms in addition to those with whom they have established business relationships; and
 - (3) High-tech firms.

1819.7209 Protégé firms.

- (a) For selection as a protégé, a firm must be:
 - (1) An SDB in the **NAICS** Major Groups as determined by the Department of Commerce (see **FAR 19.201(b)**), HBCU, MI, or WOSB;
 - (2) Certified as small in the **NAICS** code for the services or supplies to be provided by the protégé under its subcontract to the mentor; and
 - (3) Eligible for receipt of government contracts.
- (b) Except for SDBs, a protégé firm may self-certify to a mentor firm that it meets the requirements set forth in paragraph (a) of this section. Mentors may rely in good faith on written representations by potential protégés that they meet the

specified eligibility requirements. SDB status eligibility and documentation requirements are determined according to **FAR 19.304**.

- (c) Protégés may have multiple mentors. Protégés participating in mentor-protégé programs in addition to the NASA Program should maintain a system for preparing separate reports of mentoring activity for each agency's program.

1819.7210 Selection of protégé firms.

- (a) Mentor firms will be solely responsible for selecting protégé firms. The mentor is encouraged to identify and select the types of protégé firms listed in 1819.7208(b).
- (b) Mentor firms may have more than one protégé.
- (c) The selection of protégé firms by mentor firms may not be protested, except for a protest regarding the size or eligibility status of an entity selected by a mentor to be a protégé. Such protests shall be handled in accordance with FAR 19.703(b). The contracting officer shall notify the Headquarters Office of Small and Disadvantaged Business Utilization (OSDBU) (Code K) of the protest.

1819.7211 Application process for mentor firms to participate in the Program.

- (a) Prime contractors interested in becoming a mentor firm must submit a request to the NASA OSDBU to be approved under the Program. The application will be evaluated on the extent to which the company plans to provide developmental assistance. The information required in paragraph (b) of this section must be submitted to be considered for approval as a mentor firm.
- (b) A proposed mentor must submit the following information to the NASA OSDBU:
 - (1) A statement that the mentor firm is currently performing under at least one active approved subcontracting plan (small business exempted) and that they are eligible, as of the date of application, for the award of Federal contracts;
 - (2) The cognizant NASA contract number(s), type of contract, period of performance (including options), title of technical program effort, name of NASA Program Manager (including contact information) and name of the NASA field center where support is provided;
 - (3) The number of proposed mentor-protégé arrangements;
 - (4) Data on all current NASA contracts and subcontracts to include the contract/subcontract number(s), period of performance, awarding NASA installation or contractor and contract/subcontract value(s) including options;
 - (5) Data on total number and dollar value of subcontracts awarded under NASA prime contracts within the past 2 years and the number and dollar value of such subcontracts awarded to entities defined as protégés.
 - (6) Information on the proposed types of developmental assistance. For each proposed mentor-protégé relationship include information on the company's ability to provide developmental assistance to the identified protégé firm and how that assistance will potentially increase subcontracting opportunities for the protégé firm, including

- subcontracting opportunities in industry categories where these entities are not dominant in the company's current subcontractor base; and
- (7) A Letter of Intent signed by both parties. At a minimum, the Letter of Intent must include the stated commitment that the parties intend to enter into a mentor-protégé agreement under the NASA Program, that they intend to cooperate in the establishment of a suitable developmental assistance program to meet their respective needs, and that they agree to comply with the obligations in 1819.7215 and all other provisions governing the Program.

1819.7212 OSDBU review and approval process of agreement.

- (a) The information specified in 1819.7211(b) is reviewed by the NASA OSDBU. This review will be completed no later than 30 days after receipt by the OSDBU. The OSDBU will provide a copy of the submitted information to the cognizant NASA technical program manager and contracting officer for a parallel review and concurrence.
- (b) If OSDBU approves the application, then the mentor
- (1) Negotiates an agreement with the protégé; and
 - (2) Submits an original and two (2) copies of the agreement to the OSDBU for approval by the NASA Mentor-Protégé program manager, the NASA technical program manager, and the contracting officer.
- (c) Upon agreement approval, the mentor may implement a developmental assistance program.
- (d) An approved agreement will be incorporated into the mentor's contract with NASA. It should be added to the subcontracting plan in contracts which contain such a plan.
- (e) If OSDBU disapproves the application, then the mentor may provide additional information for reconsideration. The review of any supplemental material will be completed within 30 days after receipt by the OSDBU. Upon finding deficiencies that NASA considers correctable, the OSDBU will notify the mentor and request information to be provided within 30 days that may correct the deficiencies.

1819.7213 Agreement contents.

The contents of the agreement must contain:

- (a) Names and addresses of mentor and protégé firms and a point of contact within both firms who will oversee the agreement;
- (b) Procedures for the mentor firm to notify the protégé firm, OSDBU, and the contracting officer, in writing, at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the Program;
- (c) Procedures for a protégé firm to notify the mentor firm in writing at least 30 days in advance of the protégé firm's intent to voluntarily terminate the mentor-protégé agreement. The mentor shall notify the OSDBU and the contracting officer immediately upon receipt of such notice from the protégé;
- (d) A description of the type of developmental program that will be provided by the mentor firm to the protégé firm, to include a description of the subcontract work, and a schedule for providing assistance and criteria for evaluation of the protégé's developmental success;
- (e) A listing of the number and types of subcontracts to be awarded to the protégé firm;
- (f) Program participation term;

- (g) Termination procedures;
- (h) Plan for accomplishing work should the agreement be terminated; and
- (i) Other terms and conditions, as appropriate.

1819.7214 Developmental assistance.

The forms of developmental assistance a mentor can provide to a protégé include:

- (a) Management guidance relating to --
 - (1) Financial management,
 - (2) Organizational management,
 - (3) Overall business management/planning, and
 - (4) Business development;
- (b) Engineering and other technical assistance;
- (c) Noncompetitive award of subcontracts under NASA contracts;
- (d) *Progress payments based on costs.* The customary progress payment rate for all NASA contracts with small disadvantaged businesses is 95 percent. This customary progress payment rate for small disadvantaged businesses may be used by prime contractors;
- (e) *Advance payments.* While a mentor can make advance payments to its protégés who are performing as subcontractors, the mentor will only be reimbursed by NASA for these costs if advance payments have been authorized in accordance with **1832.409-170**;
- (f) Loans;
- (g) Rent-free use of facilities and/or equipment; and
- (h) Temporary assignment of personnel to the protégé for purpose of training.

1819.7215 Obligation.

- (a) The mentor or protégé may voluntarily withdraw from the Program as mutually agreed by both mentor and protégé.
- (b) Mentor and protégé firms will submit a "lessons learned" evaluation to the NASA OSDBU at the conclusion of each NASA contract subject to the approved Mentor-Protégé agreement.

1819.7216 Internal controls.

- (a) The NASA OSDBU will manage the Program. Internal controls will be established by the OSDBU to achieve the stated program objectives (by serving as checks and balances against undesired actions or consequences) such as:
 - (1) Reviewing and evaluating mentor applications for realism, validity and accuracy of provided information;
 - (2) Reviewing any semi-annual progress reports submitted by mentors and protégés on protégé development to measure protégé progress against the master plan contained in the approved agreement.
 - (3) Site visits to NASA installation where mentor-protégé activity is occurring.
- (b) NASA may terminate mentor-protégé agreements for good cause and exclude mentor or protégé firms from participating in the NASA program. These actions shall be approved by the NASA OSDBU. NASA shall terminate an agreement by delivering to the contractor a Notice specifying the reason for termination and the effective date. Termination of an agreement does not

constitute a termination of the subcontract between the mentor and the protégé. A plan for accomplishing the subcontract effort should the agreement be terminated shall be submitted with the agreement as required in NFS 1819.7213(h).

1819.7217 Reports.

- (a) Semi-annual reports shall be submitted by the mentor to the NASA Mentor-Protégé program manager, the NASA OSDBU, to include information as outlined in 1852.219-79(b).
- (b) Protégés are encouraged to submit semi-annual reports to the OSDBU on Program progress pertaining to their mentor-protégé agreement. However, costs associated with the preparation of these reports are unallowable costs under Government contracts and will not be reimbursed by the Government.
- (c) The NASA technical program manager shall include an assessment of the prime contractor's (mentor's) performance in the Mentor-Protégé Program in a quarterly 'Strengths and Weaknesses' evaluation report. A copy of this assessment will be provided to the OSDBU and the contracting officer.
- (d) The NASA Mentor-Protégé program manager will submit semi-annual reports to the cognizant contracting officer regarding the participating prime contractor's performance in the Program for use in the award fee determination process.

1819.7218 Program review.

At the conclusion of each year in the Mentor-Protégé Program, the prime contractor and protégé, as appropriate, will formally brief the NASA OSDBU, the technical program manager, and the contracting officer regarding Program accomplishments pertaining to the approved agreement. This review will be incorporated into the normal program review, where applicable. A separate review will be scheduled for other contracts to be held at the NASA work site location.

1819.7219 Solicitation provision and contract clauses.

- (a) The contracting officer shall insert the clause at **1852.219-77**, NASA Mentor-Protégé Program, in:
 - (1) Cost reimbursement solicitations and contracts, or solicitations and contracts with award fee incentives, that include the clause at **FAR 52.219-9**, Small Business Subcontracting Plan;
 - (2) Small business set-asides of the contract types in (a)(1) of this section with values exceeding \$500,000 (\$1,000,000 for construction) that offer subcontracting opportunities.
- (b) The contracting officer shall insert the clause at **1852.219-79**, Mentor Requirements and Evaluation, in contracts where the prime contractor is a participant in the NASA Mentor-Protégé Program.

1852.219-79 Mentor Requirements and Evaluation.

As prescribed in 1819.7219(b), insert the following clause:

MENTOR REQUIREMENTS AND EVALUATION (MARCH 1999)

- (a) The purpose of the NASA Mentor-Protégé Program is for a NASA prime contractor to provide developmental assistance to certain subcontractors qualifying as protégés. Eligible protégés include small disadvantaged business concerns, women-owned small business concerns, Historically Black Colleges and Universities, and minority institutions meeting the qualifications specified in NASA FAR Supplement (NFS) 1819.7209.
- (b) NASA will evaluate the contractor's performance on the following factors. If this contract includes an award fee incentive, this assessment will be accomplished as part of the fee evaluation process.
 - (1) Specific actions taken by the contractor, during the evaluation period, to increase the participation of protégés as subcontractors and suppliers;
 - (2) Specific actions taken by the contractor during this evaluation period to develop the technical and corporate administrative expertise of a protégé as defined in the agreement;
 - (3) To what extent the protégé has met the developmental objectives in the agreement; and
 - (4) To what extent the firm's participation in the Mentor-Protégé Program resulted in the protégé receiving competitive contract(s) and subcontract(s) from private firms and agencies other than the mentor.
- (c) Semi-annual reports shall be submitted by the mentor to the NASA Mentor-Protégé program manager, NASA Headquarters OSDBU, to include information as outlined in paragraph (b).
- (d) The mentor will notify the OSDBU and the contracting officer, in writing, at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the program or upon receipt of a protégé's notice to withdraw from the Program;
- (e) Mentor and protégé firms will submit a "lessons learned" evaluation to the NASA OSDBU at the conclusion of the contract. At the end of each year in the Mentor-Protégé Program, the mentor and protégé, as appropriate, will formally brief the NASA Mentor-Protégé program manager, the technical program manager, and the contracting officer during a formal program review regarding Program accomplishments as pertains to the approved agreement.
- (f) NASA may terminate mentor-protégé agreements for good cause and exclude mentor or protégé firms from participating in the NASA program. These actions shall be approved by the NASA OSDBU. NASA shall terminate an agreement by delivering to the contractor a Notice specifying the reason for termination and the effective date. Termination of an agreement does not constitute a termination of the subcontract between the mentor and the protégé. A plan for accomplishing the subcontract effort should the agreement be terminated shall be submitted with the agreement as required in NFS 1819.7213(h).

(End of clause)